

Mitsubishi UFJ Financial Group

**Financial Highlights under Japanese GAAP
for 1st Quarter of Fiscal Year Ending March 31, 2012
(From April 1, 2011 to June 30, 2011)**

July 29, 2011

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Definitions of figures used in this document

Consolidated Mitsubishi UFJ Financial Group (consolidated)

Non-consolidated Bank of Tokyo-Mitsubishi UFJ (non-consolidated) + Mitsubishi UFJ Trust and Banking Corporation (non-consolidated) (without any adjustments)

Income statement summary

(Consolidated)



● Net business profits

- Gross profits decreased due to lower net interest income, such as consumer-finance income, and net trading profits.
- G&A expenses decreased due to an ongoing intensive corporate-wide cost reduction.

● Total credit costs

- Non-consolidated credit costs remained almost unchanged. Meanwhile, consolidated credit costs significantly decreased due to lower credit costs from other subsidiaries.

● Net gains (losses) on equity securities

- Decreased mainly due to a lower gains on sales of equity securities reflecting weak stock performance in general stock market.

● Other non-recurring losses

- Significantly increased due to a negative goodwill recorded as a result of completion of conversion of Morgan Stanley convertible preferred stock into Morgan Stanley common stock.

● Net income

- Increased even without one-time effect of negative goodwill.

Income statement (¥bn)

	FY11 1Q	FY10 1Q	Change
1 Gross profits (before credit costs for trust accounts)	854.9	910.6	(55.6)
2 Net interest income	470.9	501.6	(30.6)
3 Trust fees+Net fees and commissions	247.9	248.2	(0.3)
4 Net trading profits +Net other business profits	136.0	160.6	(24.6)
5 Net gains (losses) on debt securities	77.7	78.3	(0.5)
6 G&A expenses	505.5	515.1	(9.6)
7 Expense ratio	59.1%	56.6%	2.6%
8 Net business profits	349.4	395.4	(46.0)
9 Credit costs ^{*1}	(37.6)	(70.3)	32.6
10 Net gains (losses) on equity securities	(22.4)	1.1	(23.5)
11 Other non-recurring gains (losses) ^{*2}	311.9	(27.1)	339.0
12 Ordinary profits	601.2	299.1	302.1
13 Net extraordinary gains (losses)	10.2	(11.3)	21.6
14 Total of income taxes-current and income taxes-deferred	(79.9)	(95.5)	15.6
15 Minority interest	(31.0)	(25.8)	(5.1)
16 Net income (losses)	500.5	166.3	334.2
17 Total credit costs ^{*3}	(18.9)	(54.1)	35.1
18 Non-consolidated	(13.8)	(13.3)	(0.5)

*1 Credit costs for trust accounts+Provision for general allowance for credit losses

+Credit costs (included in non-recurring gains/losses)

*2 Included Profits (losses) from investments in affiliates, provision for losses on interest repayment, Reversal of allowance for credit losses, Reversal of reserve for contingent losses included in credit costs and Gains on loans written-off. Reversal of allowance for credit losses, Reversal of reserve for contingent losses included in credit costs and Gains on loans written-off were recorded in Net extraordinary gains(losses) at FY10 1Q

*3 Credit costs+Reversal of allowance for credit losses+Reversal of reserve for contingent losses included in credit costs +Gains on loans written-off.

Reference (¥)

19 EPS	35.40	11.76	23.63
20 ROE ^{*4}	13.00%	7.98%	5.02%

*4 The one-time impact of Morgan Stanley becoming an equity-method affiliate of MUFG is adjusted.

$$\frac{\text{Net income} \times 4 - \text{Equivalent of annual dividends on nonconvertible preferred stocks}}{(\text{Total shareholders' equity at the beginning of the period} - \text{Number of nonconvertible preferred stocks at the beginning of the period} \times \text{Issue price} + \text{Foreign currency translation adjustments at the beginning of the period}) \times 100}$$

$$\frac{+ (\text{Total shareholders' equity at the end of the period} - \text{Number of nonconvertible preferred stocks at the end of the period} \times \text{Issue price} + \text{Foreign currency translation adjustments at the end of the period}) - 2}{\text{Total shareholders' equity at the beginning of the period} - \text{Number of nonconvertible preferred stocks at the beginning of the period} \times \text{Issue price} + \text{Foreign currency translation adjustments at the beginning of the period}}$$

● Loans

- Decreased from End Mar. 11 mainly due to lower domestic corporate loans, partially offset by an increase in overseas loans.

● Investment securities

- Decreased from End Mar. 11 mainly due to a lower Japanese government bonds.

● Deposits

- Decreased from End Mar. 11 mainly due to lower deposits from corporate, partially offset by an increase in individual deposits.

● Total net assets

- Increased from End Mar. 11 mainly due to an increase in retained earnings.

● Non performing loans (“NPLs”)

- NPL ratio slightly deteriorated from End Mar. 11, but keeping at a low level.

● Net unrealized gains (losses) on securities available for sale

- Improved from End Mar. 11 mainly due to increases in net unrealized gains on Japanese government bonds and foreign bonds.

Balance sheet (¥bn)

	End Jun.11	End Mar.11	Change from End Mar.11
1 Total assets	206,196.4	206,227.0	(30.6)
2 Loans(Banking+Trust accounts)	79,609.9	80,142.3	(532.3)
3 Loans(Banking accounts)	79,459.6	79,995.0	(535.3)
4 Domestic corporate loans ^{*1}	42,735.9	43,916.9	(1,181.0)
5 Housing loans ^{*1}	17,110.8	17,300.6	(189.8)
6 Overseas loans ^{*2}	17,289.8	16,422.1	867.6
7 Investment securities (banking accounts)	69,171.5	71,023.6	(1,852.0)
8 Japanese government bonds	42,777.2	44,941.8	(2,164.5)
9 Total liabilities	194,864.7	195,412.6	(547.9)
10 Deposits	122,398.5	124,144.3	(1,745.7)
11 Individual deposits (Domestic branches)	65,436.5	64,384.6	1,051.9
12 Total net assets	11,331.7	10,814.4	517.3
13 Deposit/lending spread (Domestic, non-consolidated)	FY11 1Q 1.29%	FY10 4Q 1.30%	Change from FY10 4Q (0.01%)
14 FRL disclosed loans ^{*1*3}	1,467.4	1,430.7	36.7
15 NPL ratio ^{*1}	1.74%	1.68%	0.06%
16 Net unrealized gains(losses) on securities available for sale	483.8	327.6	156.2

*1 Non-consolidated+trust accounts

*2 Loans booked in overseas branches, UnionBanCal Corporation and BTMU(China)

*3 FRL=the Financial Reconstruction Law

Loans/deposits

(Consolidated)



● **Loan balance ¥79.6tn**
(down ¥0.5tn from End Mar. 11)

Changes from End Mar. 11:

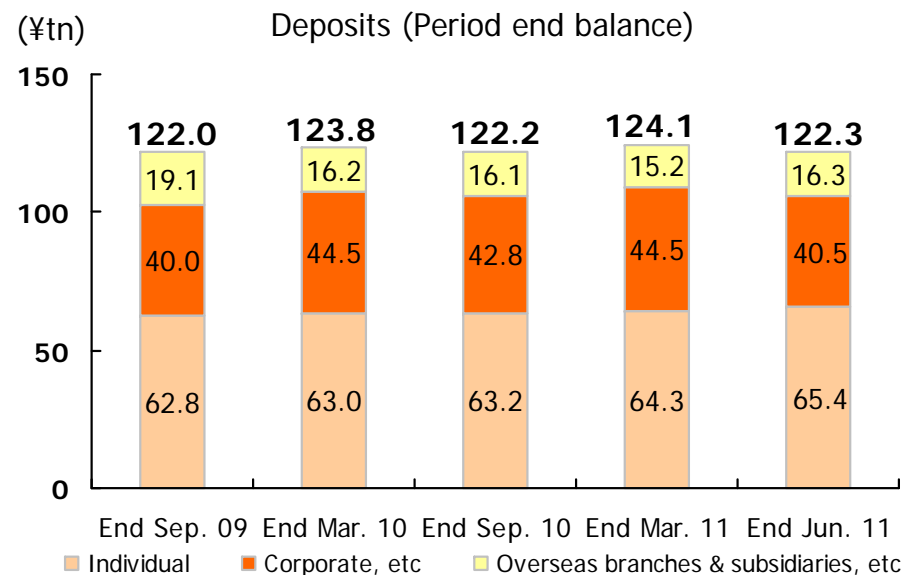
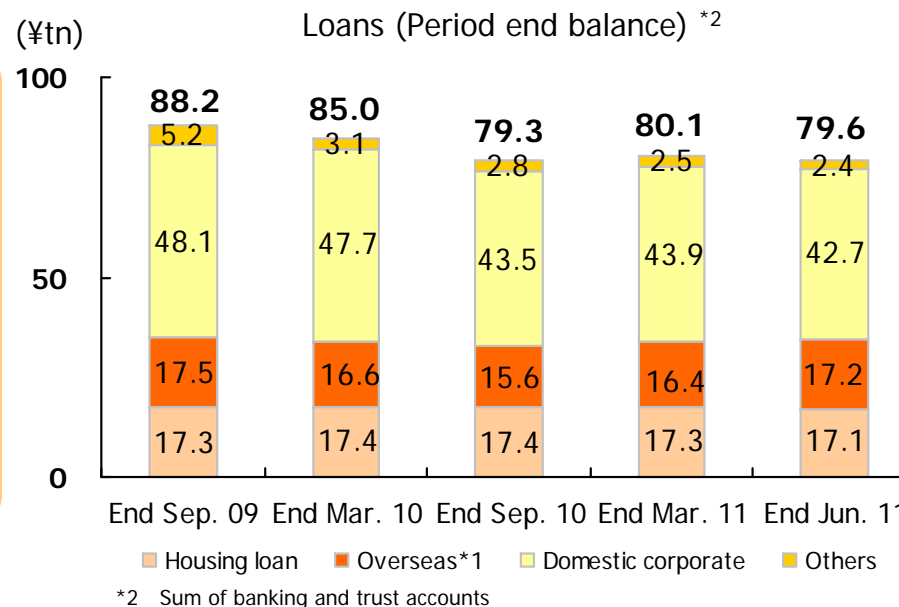
- Housing Loan (¥0.1tn)
- Overseas*1 +¥0.8tn
- Domestic corporate (¥1.1tn)

*1 Overseas branches + UnionBanCal Corporation + BTMU (China)

● **Deposit balance ¥122.3tn**
(down ¥1.7tn from End Mar. 11)

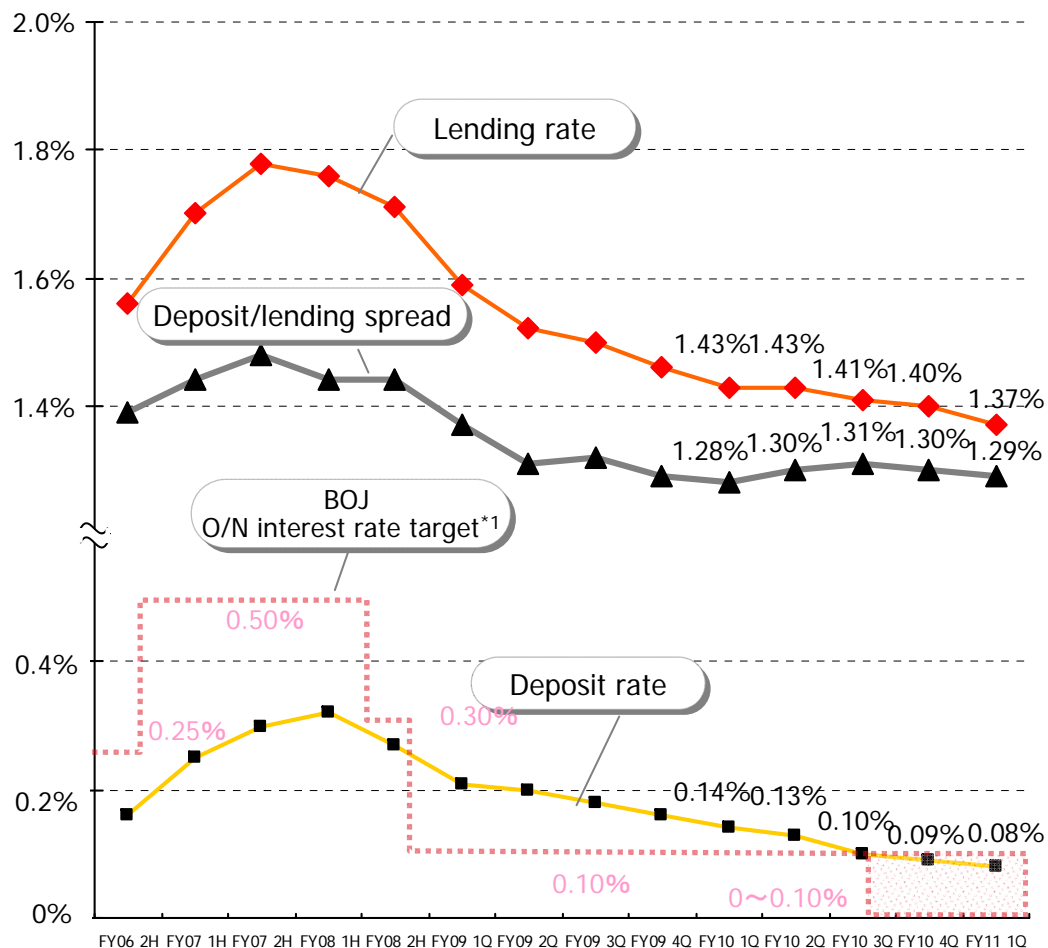
Changes from End Mar. 11:

- Individual +¥1.0tn
- Corporate, etc. (¥3.9tn)
- Others +¥1.1tn



- Deposit/lending spread in FY11 1Q was 1.29%, virtually unchanged

Changes in domestic deposit/lending rates (non-consolidated)



*1 Before Mar 06, during quantitative easing : Actual O/N interest rate

Interest rate changes

- November 4, 2008
Interest rate on ordinary deposits: 0.200% ⇒ 0.120%
- November 20, 2008
Short-term prime rate: 1.875% ⇒ 1.675%
- December 22, 2008
Interest rate on ordinary deposits: 0.120% ⇒ 0.040%
- January 13, 2009
Short-term prime rate: 1.675% ⇒ 1.475%
- April 1, 2009
Variable rate on new housing loans :
⇒ Changed based on the long-term lending rate linked to short-term prime rate as of March 1
- July 1, 2009
Variable rate on existing housing loans :
⇒ Changed based on the long-term lending rate linked to short-term prime rate as of April 1
- September 6, 2010
Interest rate on ordinary deposits: 0.040% ⇒ 0.020%

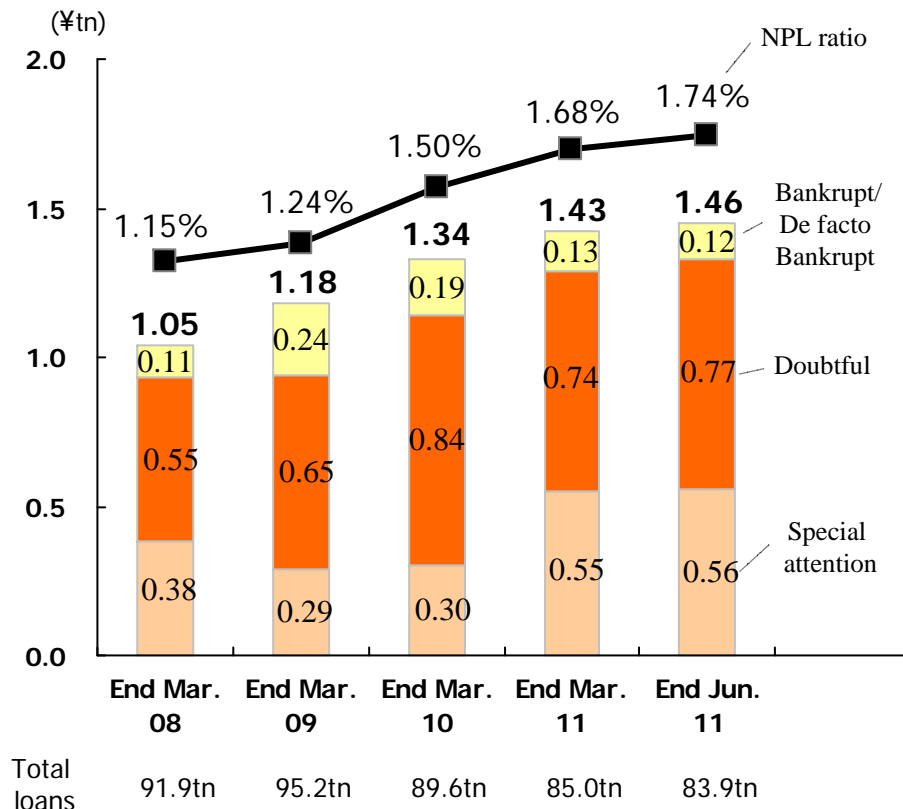
Loan assets

(Consolidated/Non-consolidated)



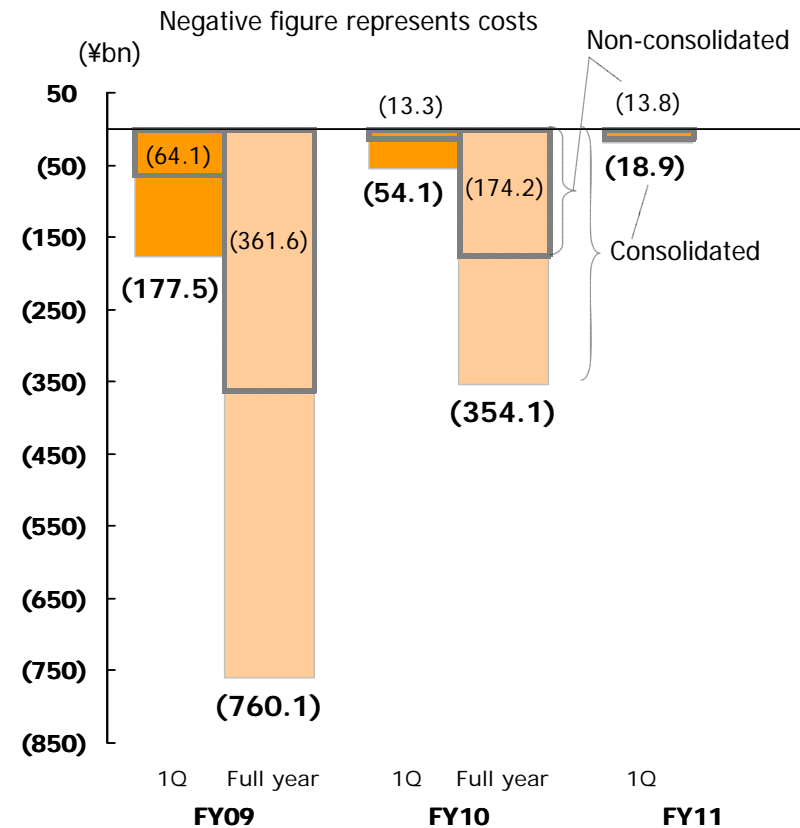
- NPL ratio increased 0.06% from End Mar. 11 to 1.74%, but keeping at a low level.
- Total credit costs of Non-consolidated were ¥13.8bn and those of Consolidated were ¥18.9bn.

Balance of FRL disclosed loans (Non-consolidated)



*1 Non Performing Loans ÷ Total loans

Total credit costs*2



*2 Figures included gains on loans written-off

Holdings of investment securities

(Consolidated)

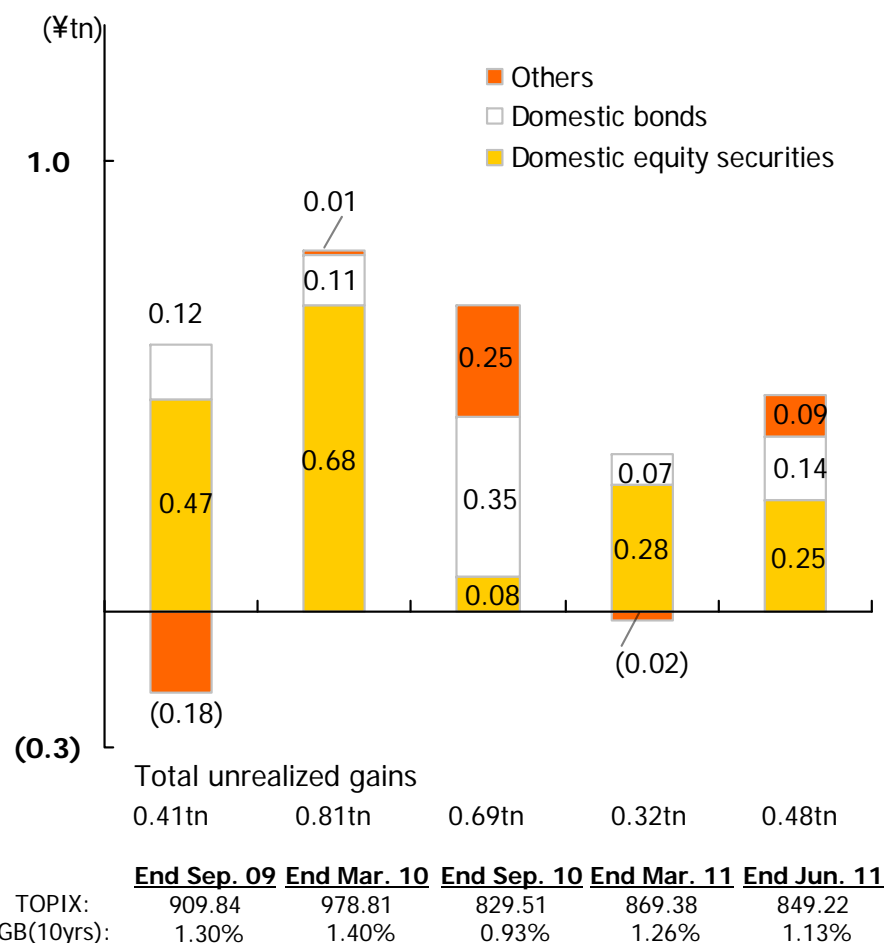


- Total unrealized gains (losses) on securities available for sale increased by ¥156.2bn from End Mar. 11.
- An increase in unrealized gains on Japanese government bonds and foreign bonds, partially offset by a decrease in those on equity securities.

Breakdown of securities available for sale (with market value)

		Balance		Unrealized gains(losses)	
		End Jun.11	Change from End Mar.11	End Jun.11	Change from End Mar.11
1	Total	65,250.2	(1,948.2)	483.8	156.2
2	Domestic equity securities	3,485.2	(81.0)	250.1	(31.1)
3	Domestic bonds	46,156.8	(1,941.5)	140.9	70.1
4	Government bonds	42,025.2	(1,949.3)	80.7	56.7
5	Others	15,608.0	74.3	92.7	117.2
6	Foreign equity securities	174.6	(107.5)	72.6	(11.0)
7	Foreign bonds	13,555.4	(82.1)	95.5	142.3
8	Others	1,878.0	264.0	(75.4)	(14.0)

Unrealized gains (losses) on securities available for sale



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