Mitsubishi UFJ Financial Group

Financial Highlights under Japanese GAAP for 2nd Quarter of Fiscal Year Ending March 31, 2012 （From April 1, 2011 to September 30, 2011）

Nov 14, 2011

Quality for You

MUFG

Agenda

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)

MUFG

Net business profits

- Gross profits decreased mainly due to lower deposit spread, consumer-finance income and dividend on preferred stock, partially offset by an increase in net gains on sales of debt securities.
- Net business profits decreased due to lower gross profits, despite a decrease in G&A expenses reflecting the progress in an ongoing intensive corporate-wide cost reduction.

Total credit costs

- Significantly decreased mainly due to a decrease in losses on loan write-off and a reversal of provision for credit losses.

Net losses on equity securities

- Increased mainly due to higher losses on write-down of equity securities reflecting weak stock performance in general stock market.

Other non-recurring gains (losses)

- Significantly improved due to a negative goodwill of ¥290.6 bn recorded as a result of application of equity method accounting for our investment in Morgan Stanley by completion of conversion of their convertible preferred stock into their common stock and lower provision of ¥59.2 bn for loss on interest repayment.

Net income

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

Reference(¥)	FY11 H1	FY10 H1	Change
EPS	48.58	24.60	23.99
ROE*4	12.52%	8.51%	4.00%

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

Net income×2−Equivalent of annual dividends on nonconvertible preferred stocks
———————————————————————— ×100
{(Total shareholders' equity at the beginning of the period −Number of nonconvertible preferred stocks at the beginning of the period×Issue price+Foreign currency translation adjustments at the beginning of the period)
'+(Total shareholders' equity at the end of the period −Number of nonconvertible preferred stocks at the end of the period ×Issue price+Foreign currency translation adjustments at the end of the period)}÷2

Income statement(¥bn)

〈Consolidated〉

		FY11 H1	FY10 H1	Change
1	Gross profits (before credit costs for trust accounts)	1,789.8	1,870.7	(80.8)
2	Net interest income	907.8	1,009.3	(101.5)
3	Trust fees+Net fees and commissions	523.3	524.7	(1.4)
4	Net trading profits +Net other business profits	358.7	336.6	22.1
5	Net gains (losses) on debt securities	221.5	170.7	50.7
6	G&A expenses	990.1	1,018.8	(28.6)
7	Net business profits	799.7	851.8	(52.1)
8	Credit costs*1	(82.0)	(190.4)	108.3
9	Net gains (losses) on equity securities	(96.7)	(27.3)	(69.4)
10	Other non-recurring gains (losses)*2	337.8	(91.9)	429.8
11	Ordinary profits	958.6	542.0	416.5
12	Net extraordinary gains (losses)	4.4	6.9	(2.5)
13	Total of income taxes-current and income taxes-deferred	(209.3)	(184.8)	(24.5)
14	Minority interests	(57.6)	(7.4)	(50.2)
15	Net income	696.0	356.7	339.3
16	Total credit costs*3	(28.6)	(153.0)	124.3

〈Non-consolidated〉

		FY11 H1	FY10 H1	Change
17	Gross profits (before credit costs for trust accounts)	1,216.9	1,215.4	1.5
18	G&A expenses	588.4	594.6	(6.1)
19	Net business profits	628.4	620.7	7.6
20	Ordinary profits	480.6	457.2	23.4
21	Income before income taxes	478.9	460.1	18.7
22	Net income	317.9	323.8	(5.9)
23	Total credit costs*3	(0.5)	(38.2)	37.7

*1 Credit costs for trust accounts+Provision for general allowance for credit losses +Credit costs(included in non-recurring gains/losses)

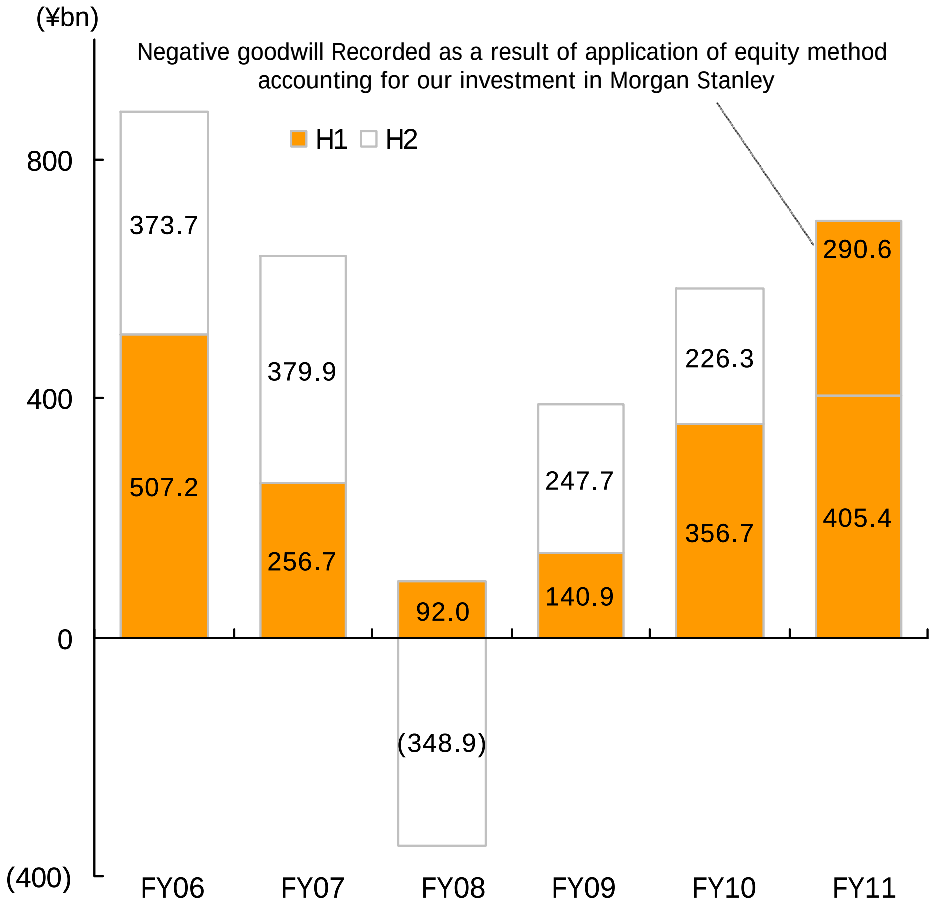
*2 Included Profits (losses) from investments in affiliates, provision for losses on interest repayment, Reversal of allowance for credit losses, Reversal of reserve for contingent losses included in credit costs and Gains on loans written-off. Reversal of allowance for credit losses, Reversal of reserve for contingent losses included in credit costs and Gains on loans written-off were recorded in Net extraordinary gains(losses) at FY10 H1

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

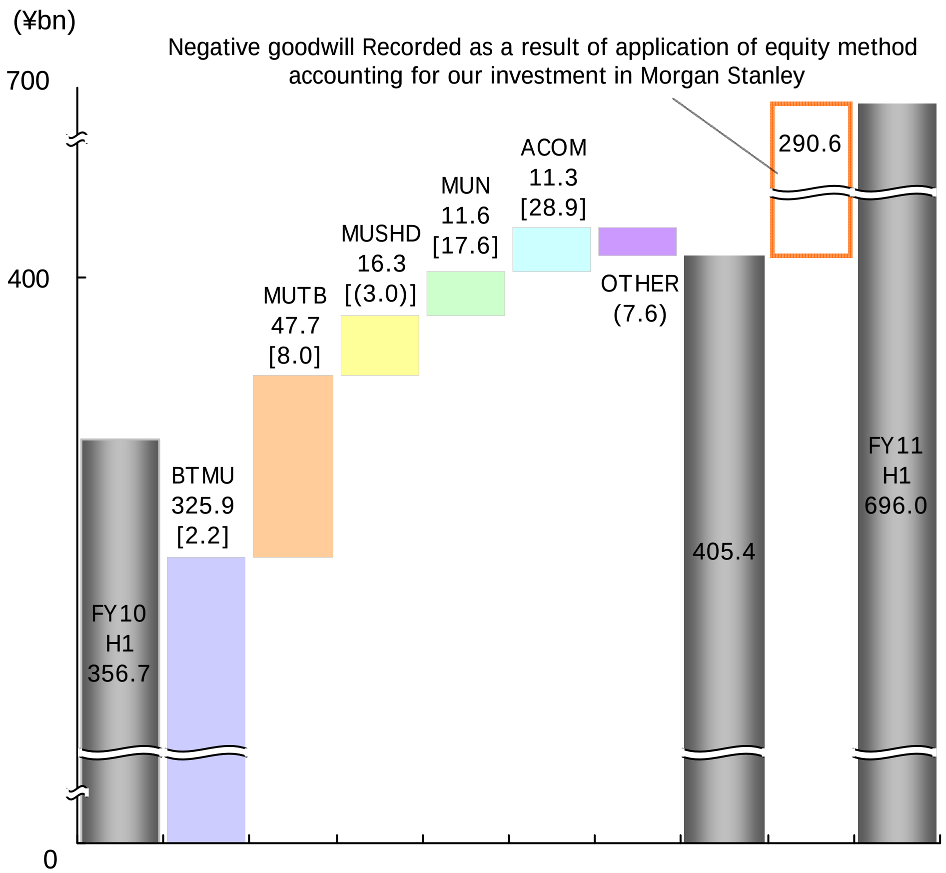
Outline of net income (Consolidated)

- H1 net income increased third straight year since FY09 H1.
- Although net income from MUSHD decreased slightly, net income from other subsidiaries all increased. Achieved increase even without one-time effect of negative goodwill of ¥290.6bn, recorded as a result of application of equity method accounting for our investment in Morgan Stanley.

Net income history



Breakdown of net income*1

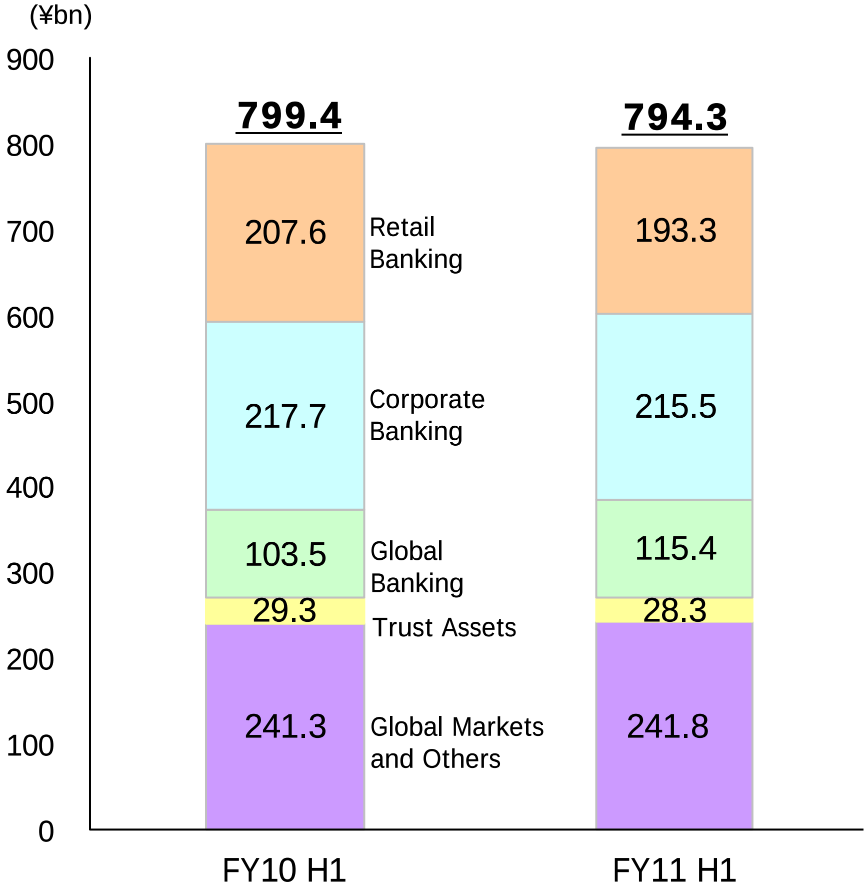


*1 The above figures take into consideration the percentage holding in each subsidiary (after-tax basis) and figures in brackets [] are the change compared to FY10 H1.

Outline of results by business segment (Consolidated)

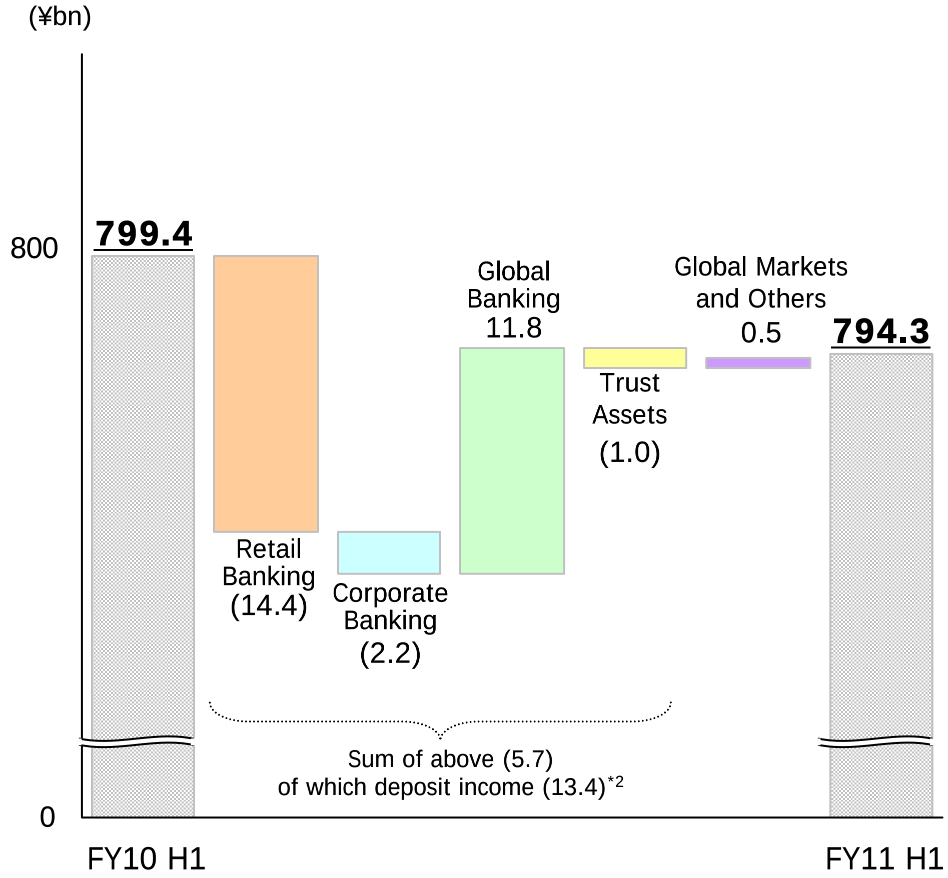
- Net operating profits remained almost flat compared to FY10 H1, mainly due to higher net business profits from Global Banking segment and Global Markets segment which were offset by lower profits from Retail, Corporate and Trust Assets segments in aggregate due to decrease in net interest income.

Net operating profits by segment*1



*1 Consolidated net business profits on a managerial accounting basis.

Breakdown of changes in Net Operating profits



*2 Deposit income is the total of BTMU and MUTB figures.

Balance sheet summary (Consolidated)

MUFG

- **Loans**
  - Decreased from End Mar. 11 mainly due to lower domestic corporate loans, partially offset by an increase in overseas loans.
- **Investment securities**
  - Increased from End Mar. 11 mainly due to an increase in Japanese government bonds and foreign bonds.
- **Deposits**
  - Decreased from End Mar. 11 mainly due to lower deposits from corporate, partially offset by an increase in individual and overseas branch deposits.
- **Total net assets**
  - Increased from End Mar. 11 mainly due to an increase in retained earnings.
- **Non performing loans (“NPLs”)**
  - NPLs and 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 Sep.11	End Mar.11	Change from End Mar.11
1	Total assets	215,947.1	206,227.0	9,720.0
2	Loans(Banking+Trust accounts)	79,664.6	80,142.3	(477.6)
3	Loans(Banking accounts)	79,511.4	79,995.0	(483.5)
4	Domestic corporate loans[*1]	43,083.8	43,916.9	(833.1)
5	Housing loans[*1]	16,982.7	17,300.6	(317.8)
6	Overseas loans[*2]	17,140.7	16,422.1	718.5
7	Investment securities (banking accounts)	75,574.1	71,023.6	4,550.5
8	Japanese government bonds	47,262.9	44,941.8	2,321.0
9	Total liabilities	204,612.4	195,412.6	9,199.7
10	Deposits	121,582.5	124,144.3	(2,561.7)
11	Individual deposits (Domestic branches)	64,876.7	64,384.6	492.1
12	Total net assets	11,334.7	10,814.4	520.3
		FY11 H1	FY10 H2	Change from FY10 H2
13	Deposit/lending spread (Domestic, non-consolidated)	1.27%	1.30%	(0.03%)
14	FRL disclosed loans[*1*3]	1,463.9	1,430.7	33.1
15	NPL ratio[*1]	1.74%	1.68%	0.06%
16	Net unrealized gains(losses) on securities available for sale	390.2	327.6	62.6

*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)

MUFG

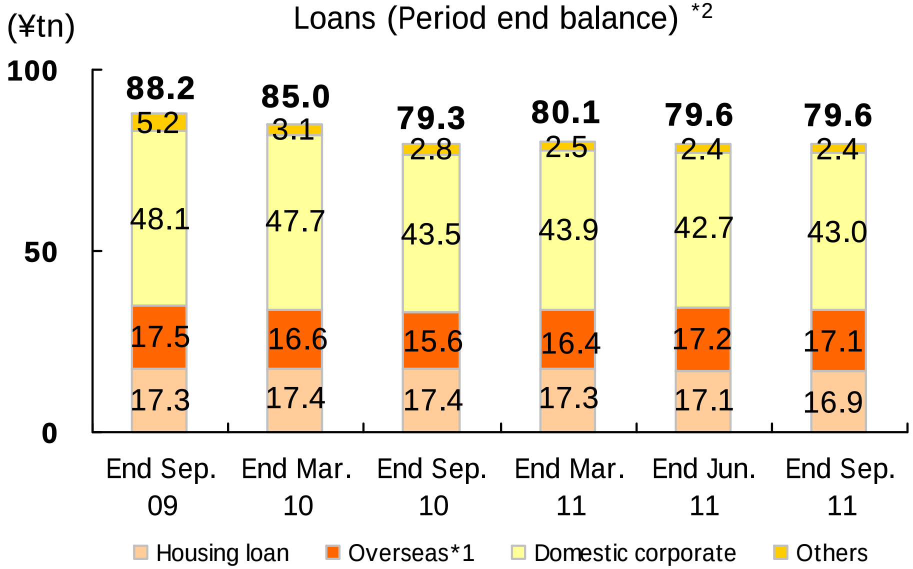
●Loan balance ¥79.6tn
(down ¥0.4tn from End Mar. 11)

Changes from End Mar. 11:

■**Housing Loan**	**(¥0.3tn)**
■**Overseas*1**	**+¥0.7tn**
(Impact of foreign currency exchange)	**(¥1.1tn)**
■**Domestic corporate**	**(¥0.8tn)**

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

Loans (Period end balance) *2



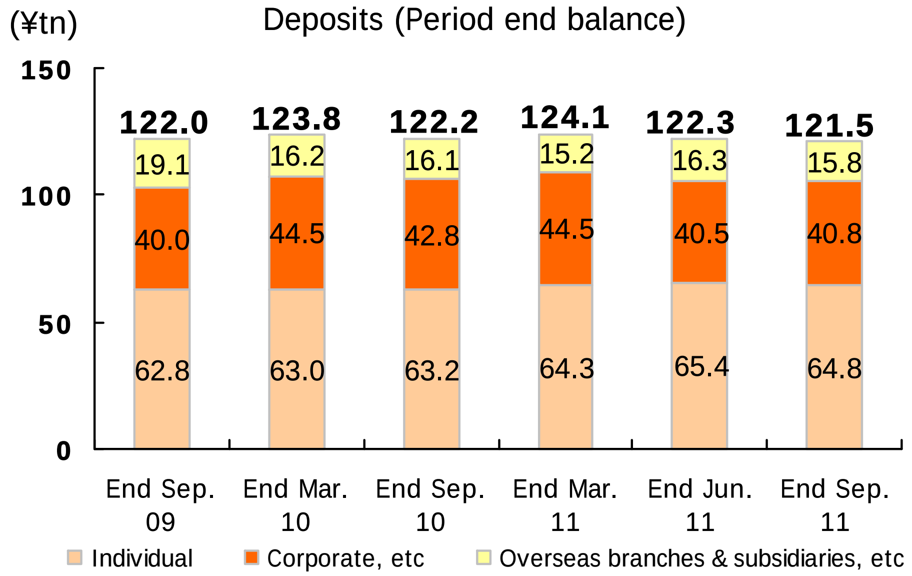
*2 Sum of banking and trust accounts

●Deposit balance ¥121.5tn
(down ¥2.5tn from End Mar. 11)

Changes from End Mar. 11:

■**Individual**	**+¥0.4tn**
■**Corporate, etc.**	**(¥3.6tn)**
■**Others**	**+¥0.5tn**

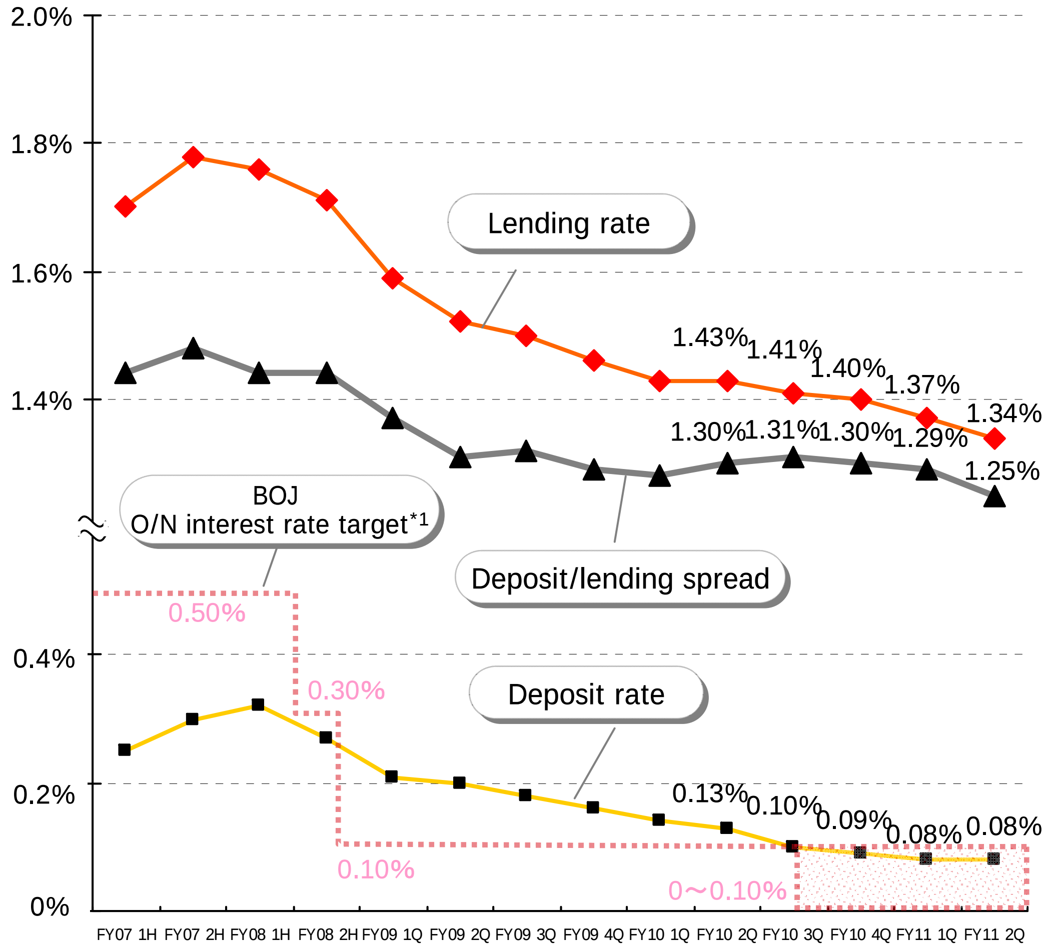
Deposits (Period end balance)



Domestic deposit / lending rates (Non-consolidated)

- **Deposit / lending spread in FY11 2Q slightly decreased mainly due to a decrease in lending rate**

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

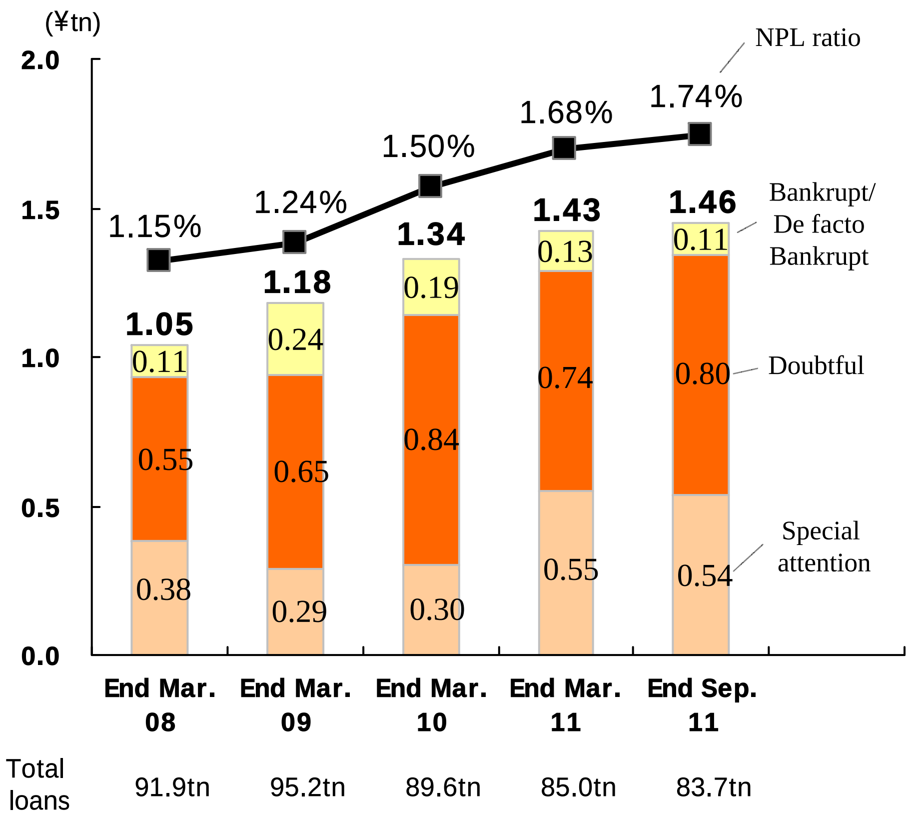
September 6, 2010
Interest rate on ordinary deposits: 0.040% ⇒ 0.020%

Loan assets

(Consolidated / Non-consolidated)

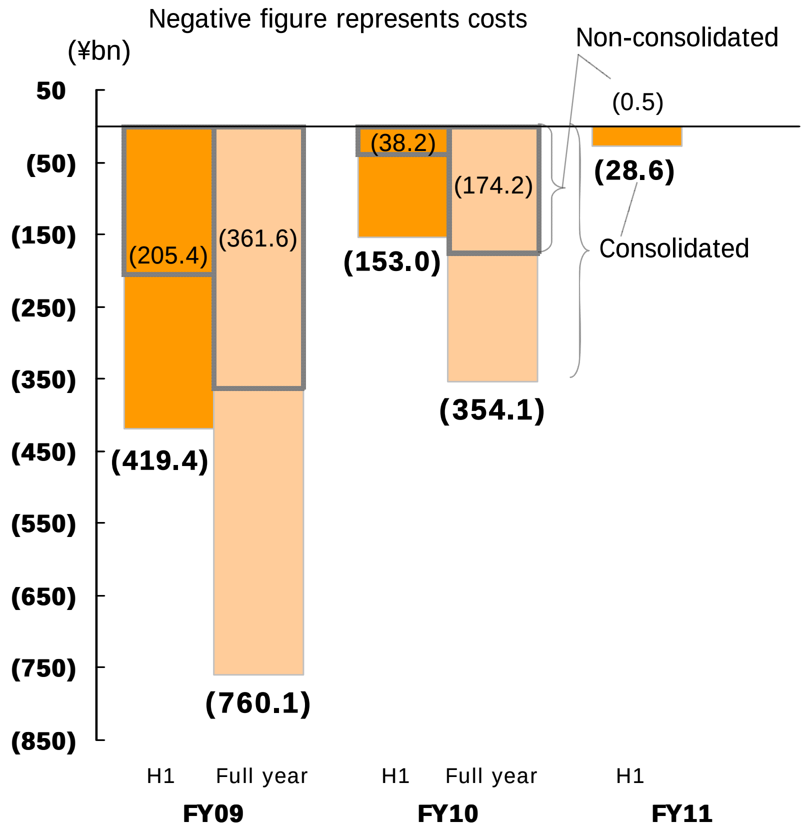
- NPL ratio increased 0.06% from End Mar. 11 to 1.74%, but keeping at a low level.
- Total credit costs significantly decreased, to ¥0.5 bn for Non-consolidated, and to ¥28.6 bn for Consolidated.

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

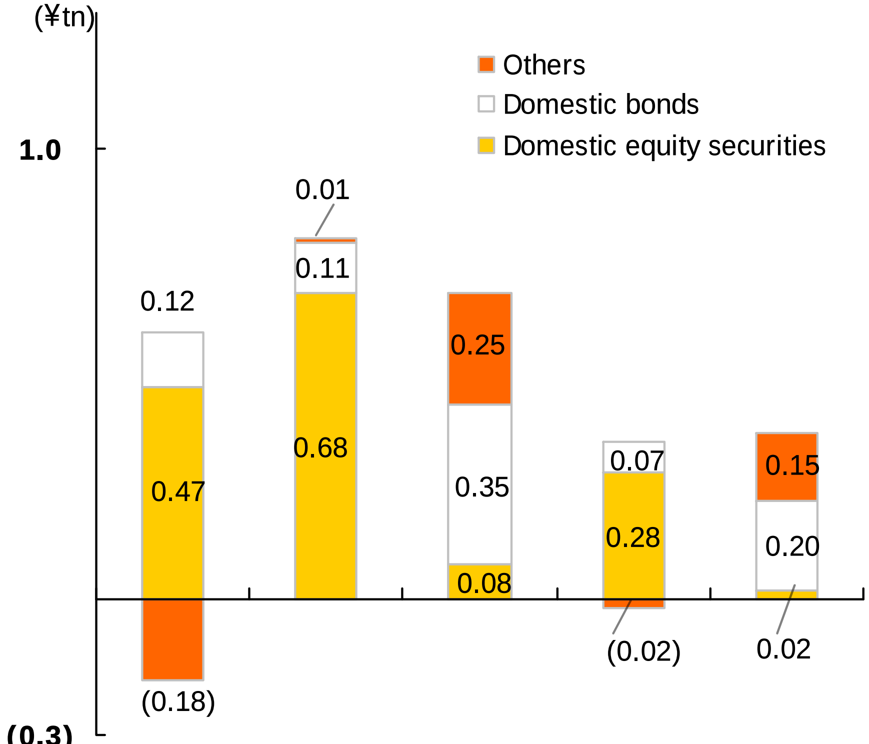
Holdings of investment securities (Consolidated)

- **Total unrealized gains (losses) on securities available for sale increased by ¥62.6bn 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)

	(¥bn)	Balance		Unrealized gains(losses)	
		End Sep.11	Change from End Mar.11	End Sep.11	Change from End Mar.11
1	Total	71,779.6	4,581.1	390.2	62.6
2	Domestic equity securities	3,116.2	(450.0)	23.1	(258.1)
3	Domestic bonds	50,588.6	2,490.1	209.7	138.9
4	Government bonds	46,637.8	2,663.3	141.2	117.2
5	Others	18,074.7	2,541.0	157.3	181.8
6	Foreign equity securities	134.2	(147.9)	18.4	(65.2)
7	Foreign bonds	16,313.6	2,676.1	253.1	299.9
8	Others	1,626.8	12.8	(114.2)	(52.8)

Unrealized gains (losses) on securities available for sale



Total unrealized gains

	End Sep. 09	End Mar. 10	End Sep. 10	End Mar. 11	End Sep. 11
Total unrealized gains	0.41tn	0.81tn	0.69tn	0.32tn	0.39tn
TOPIX:	909.84	978.81	829.51	869.38	761.17
JGB(10yrs):	1.30%	1.40%	0.93%	1.26%	1.02%

Exposures in European peripheral countries

- **Exposures of BTMU consolidated in European peripheral countries were limited compared to consolidated total assets.**

Exposures (BTMU consolidated)

	End Jun. 11	End Sep. 11
Spain	Approx.$7.2 bn	Approx.$6.4 bn
Italy	Approx.$6.7 bn	Approx.$5.5 bn
Ireland	Approx.$0.3 bn	Approx.$0.3 bn
Portugal	Approx.$0.6 bn	Approx.$0.6 bn
Greece	Approx.$0.4 bn	Approx.$0.3 bn
Total	Approx.$15.2 bn	Approx.$13.1 bn

Balance of sovereign bonds (MUFG)

	End Jun. 11	End Sep. 11
Spain	Approx.$1.1 bn	Approx.$0.9 bn
Italy	Approx.$3.4 bn	Approx.$3.2 bn
Ireland	-	-
Portugal	-	$0.0 bn
Greece	-	-
Total	Approx.$4.5 bn	Approx.$4.1 bn

Limited exposures

- **Exposures (BTMU consolidated)**
  - No exposures to sovereign borrowers.
  - More than 90% of exposures were to industrial corporations and structured finance.
    - Exposures to Spain and Italy were mainly towards infrastructure sector, such as electricity, gas and telecommunications.
  - Limited exposures to financial institutions.

- **Balance of sovereign bonds (MUFG)**
  - No Greek or Irish government bonds.
  - Very small amount of Portuguese government bonds in a trading account, all of which were hedged.
  - Majority of our Spanish and Italian government bonds were held to maturity.
    – net amount of Spanish government bond were around $800 million.

Capital

(Consolidated)

MUFG

- **Total capital**
  - Tier1 increased ¥517.6 bn from End Mar. 11 mainly due to an increase in retained earnings partially offset by lower minority interests such as redemption of preferred securities.
  - Total capital decreased ¥696.0 bn from End Mar. 11 due to a decrease in Tier2 mainly due to lower subordinated debt, and an increase in deductions from total qualifying capital reflecting an application of equity method accounting for our investment in Morgan Stanley.
- **Risk-adjusted assets**
  - Decreased ¥7,528.0 bn from End Mar. 11 mainly due to a decrease in lower loans, downturn of stock market, appreciation of the yen, and elimination from credit risk of investment to of Morgan Stanley.
- **Capital ratio : 15.42%**
  Tier 1 ratio : 13.04%

Capital(¥bn)

		End Sep.10	End Mar.11	End Sep.11	Change from End Mar.11
1	Capital ratio	15.24%	14.89%	15.42%	0.52%
2	Tier1 ratio	11.57%	11.33%	13.04%	1.70%
3	Tier 1	10,194.1	9,953.3	10,471.0	517.6
4	Capital stock and capital surplus	4,311.6	4,311.7	4,313.7	2.0
5	Retained earnings	4,666.1	4,799.6	5,406.9	607.3
6	Minority interests	2,210.1	1,873.8	1,721.1	(152.7)
7	Tier 2	3,990.7	3,920.4	3,776.5	(143.9)
8	Net unrealized gains on securities available for sale	296.5	136.5	147.5	11.0
9	Subordinated debt	3,323.6	3,463.3	3,353.7	(109.5)
10	Deductions from total qualifying capital	(763.2)	(792.9)	(1,862.8)	(1,069.8)
11	Total capital	13,421.6	13,080.8	12,384.7	(696.0)
12	Risk-adjusted assets	88,054.3	87,804.9	80,276.9	(7,528.0)
13	Credit risk	79,345.9	79,207.3	71,964.9	(7,242.4)
14	Market risk	1,973.3	1,994.1	1,851.9	(142.1)
15	Operational risk	6,735.1	6,603.4	6,459.9	(143.4)

FY2011 targets / dividend forecasts (Consolidated / Stand-alone)

- **FY2011 net income targets revised to ¥900.0bn, higher than targets announced on May 17, 2011**

Earnings targets

〔Consolidated〕

		FY 2011		FY 2010	
		Interim	Full Year	Interim (results)	Full Year (results)
1	Ordinary profits	**¥958.6 bn**	**¥1,450.0 bn**	**¥542.0 bn**	**¥646.4 bn**
2	Net income	**¥696.0 bn**	**¥900.0 bn**	**¥356.7 bn**	**¥583.0 bn**
3	Total credit costs	**(¥28.6 bn)**	**(¥170.0 bn)**	**(¥153.0 bn)**	**(¥354.1 bn)**

〔Stand-alone〕

(Bank of Tokyo-Mitsubishi UFJ)

		FY 2011 Interim	FY 2011 Full Year	FY 2010 Interim (results)	FY 2010 Full Year (results)
4	Net business profits	**¥553.8 bn**	**¥980.0 bn**	**¥544.5 bn**	**¥1,006.5 bn**
5	Ordinary profits	**¥416.5 bn**	**¥720.0 bn**	**¥394.4 bn**	**¥657.9 bn**
6	Net income	**¥271.9 bn**	**¥415.0 bn**	**¥282.3 bn**	**¥639.2 bn**
7	Total credit costs	**(¥7.5 bn)**	**(¥80.0 bn)**	**(¥42.6 bn)**	**(¥166.1 bn)**

(Mitsubishi UFJ Trust and Banking Corporation)

		FY 2011 Interim	FY 2011 Full Year	FY 2010 Interim (results)	FY 2010 Full Year (results)
8	Net business profits	**¥74.6 bn**	**¥150.0 bn**	**¥76.2 bn**	**¥150.4 bn**
9	Ordinary profits	**¥64.1 bn**	**¥115.0 bn**	**¥62.8 bn**	**¥104.6 bn**
10	Net income	**¥46.0 bn**	**¥75.0 bn**	**¥41.5 bn**	**¥75.4 bn**
11	Total credit costs	**¥7.0 bn**	**¥0.0 bn**	**¥4.3 bn**	**(¥8.0 bn)**

Dividend forecasts

		FY 2011			FY 2010		
		Interim	Year-end (forecasts)	Annual (forecasts)	Interim (results)	Year-end (results)	Annual (results)
12	Dividend per common share	**¥6**	**¥6**	**¥12**	**¥6**	**¥6**	**¥12**

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 effect 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.